Conservative Mandate (USD)

Q2 2026

Market Commentary

Global markets staged a dramatic reversal in Q2 as easing Middle East tensions collided with a hawkish turn at the Fed. The FOMC held rates at 3.50–3.75% in April on an 8–4 dissenting vote, the widest split since 1992, before Kevin Warsh was confirmed by the Senate on May 13 and sworn in as Fed Chair, succeeding Jerome Powell. In his first meeting as Chair, the FOMC unanimously held rates but stripped out prior easing language, and the accompanying dot-plot delivered a sharp hawkish surprise, with several participants now pencilling in a possible hike as soon as September. Two-year Treasury yields pushed toward 4.14% as markets priced out cuts entirely, flattening the curve even as the 10-year climbed to c. 4.48%. Abroad, the Bank of England voted 7–2 to hold Bank Rate at 3.75%, while the ECB raised rates 25bps in June, having left them unchanged since 2025. Japan saw the most acute stress, with 10-year JGB yields trading near multi-decade highs amid PM Takaichi's large fiscal package and a weak yen.

Equities staged an equally powerful reversal. The S&P 500 returned roughly 15 as both the S&P 500 and Nasdaq-100 posted their strongest quarters since Q2 2020, led by semiconductor and AI-infrastructure names delivering record earnings rather than the disruption fears that had weighed on the sector in Q1. Breadth improved meaningfully, with small-caps, equal-weight indices and value names all reaching new highs. Equities in Europe followed suit with STOXX Europe 600 (+12%) whilst Emerging Markets outperformed even more decisively; Korea (Kospi 200 +84.4%) and Taiwan (TWSE +45.4) overtook China (CSI 300 +13%) as the largest weightings in the MSCI EM Index (+24%) and helped the index deliver its best quarter since 2009. The Nikkei 225 (+37%) additionally benefitted from Japan's stimulus announcement and the weak yen.

Commodities told the mirror-image story. Oil spiked above $115/bbl on Strait of Hormuz disruption before a mid-June US–Iran ceasefire framework began unwinding the war premium, with WTI falling from around $90 on June 1 to roughly $70 by month-end. Gold fell 14.1% over the quarter, its worst performance since Q2 2013, dropping from January's record above $5,500 to close near $4,000–4,015, while silver fell over 20%. Copper was the standout exception, extending gains on structural AI and electrification-linked demand even as the broader precious-metals complex sold off.

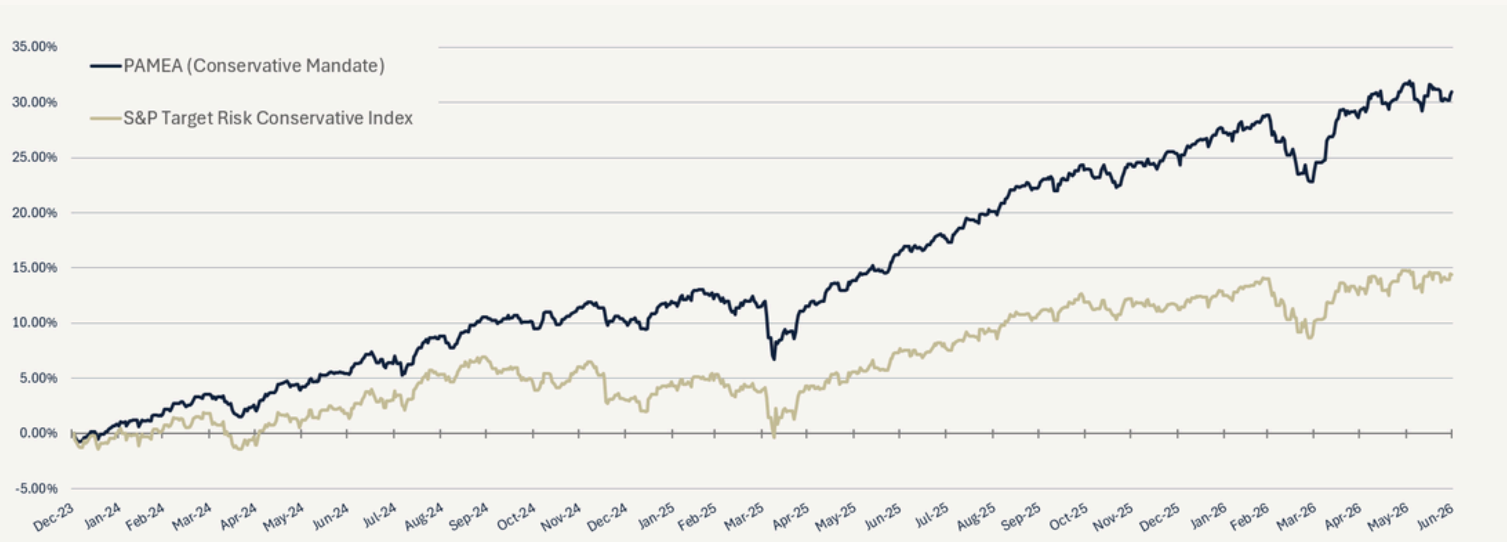
Investment Parameters

Picard Angst MEA Limited-DIFC ("PAMEA") Conservative Mandate (USD) represents medium to long-term income generating strategy designed to deliver stable returns through a globally diversified portfolio. Investing in low cost efficient ETF's, listed equities & a diversified portfolio of global credits. The mandate focuses on core equity exposure to large and mid-cap companies across developed and select emerging markets, complemented by tactical allocations to key growth themes. Credit exposure is taken through a blend of longer dated investment grade and shorter dated high yield allocations to single line bonds and sukuks.
This investment portfolio is ideal for investors with a low to moderate risk profile seeking enhanced returns over risk free rates through diversified credit exposure.

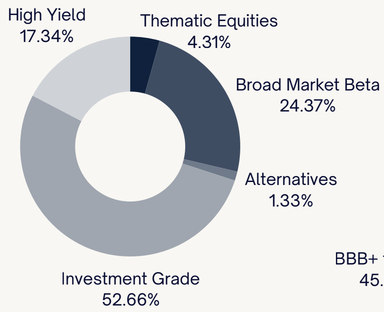
Portfolio Statistics

	Fixed Income	Equities & Alternatives	Overall Portfolio
Quarterly Return	+2.92%	+11.05%	**+5.36%**
1Y Return	+6.32%	+24.69%	**+11.83%**
Return (YTD)	+2.20%	+9.27%	**+4.32%**
Return (Since Inception)	+17.59%	+62.19%	**+30.97%**

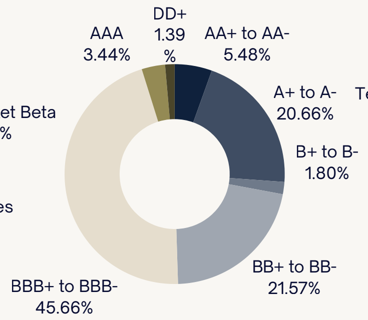
Portfolio Performance vs. Benchmark



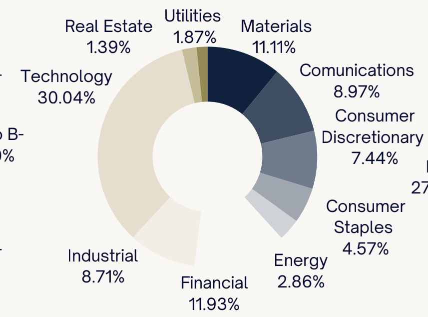
Overall Allocation



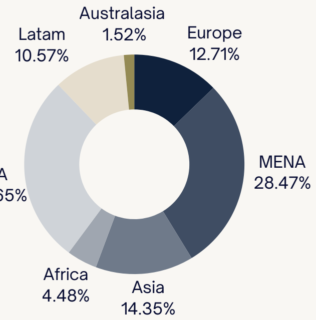
Credit Rating Allocation



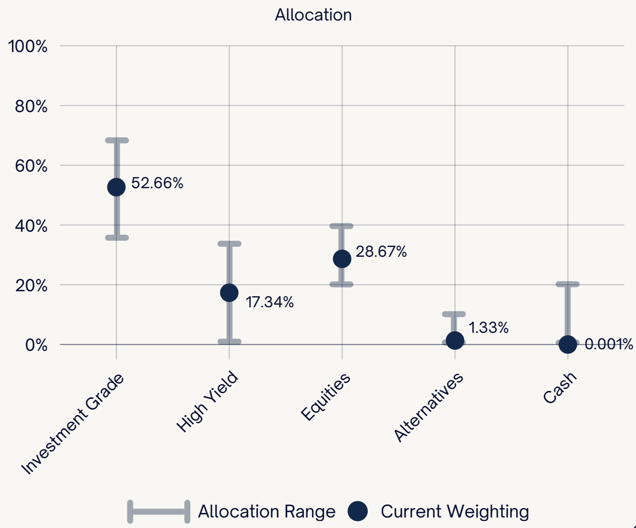
Equities Sector Allocation



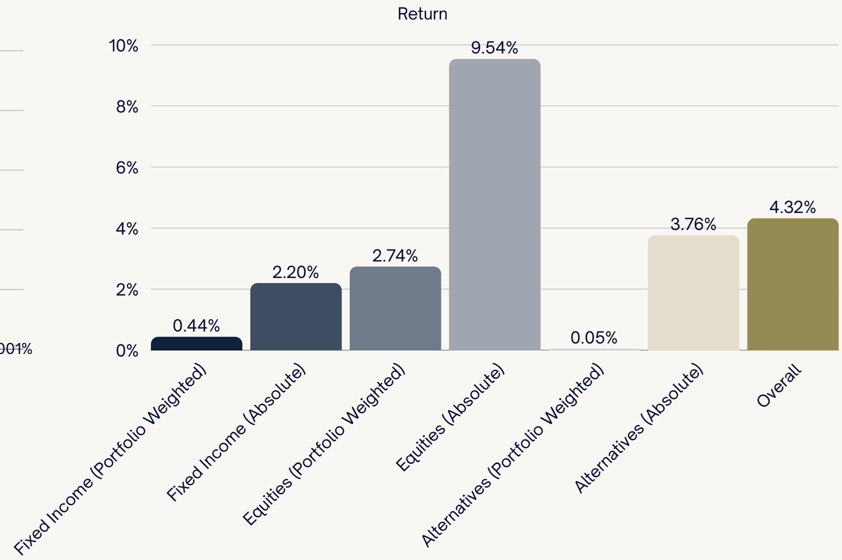
Geographical Allocation



Portfolio Weighting



Asset Class Performance (YTD)



Largest Equity Holdings

ISIN	Name	Ticker	Absolute Return (1Y)	Absolute Return (YTD)	Absolute Return (Since Inception)	Portfolio Weighting
US9229083632	Vanguard S&P 500 ETF	VOO US	+21.62%	+10.21%	+59.38%	9.40%
US9229087369	Vanguard Growth ETF	VUG US	+18.75%	+6.36%	+68.67%	5.71%
US9229087443	Vanguard Value ETF	VTV US	+24.20%	+15.22%	+54.13%	3.22%
US9220428588	Vanguard FTSE Emerging Markets	VWO US	+22.00%	+9.31%	+65.12%	1.52%
US46434G8556	iShares MSCI Global Gold Miner	RING US	+30.39%	+15.78%	+56.24%	1.42%

High-conviction Bonds

ISIN	Name	Ticker	Country of Risk	Yield (YTM)	Rating	Portfolio Weighting
XS2539374673	First Abu Dhabi Bank PJSC	FABUH 5 1/8 10/13/27	AE	4.809	AA-	1.40%
XS3170344314	Saudi Awwal Bank	SABBAB 5.947 09/04/35	SA	6.151	BBB	1.30%
XS2852966501	Magellan Capital Holdings PLC	MAGELL 8 3/8 07/08/29	AE	7.62	BBB-	1.35%
USY775M1CJ07	Shriram Finance Ltd	SHFLIN 6.15 04/03/28	IN	5.62	BB	1.60%
XS2861555964	Saudi Arabian Oil Co	ARAMCO 5 7/8 07/17/64	SA	7.021	BB	1.50%